

EXHIBIT 3

Time Charter Party
LONDON 22nd Sept 2008

	IT IS THIS DAY AGREED between MESSRS. LEON TRADING SA	1
	of (hereinafter referred to as "Owners"), being owners	2
	of the good motor/steam* vessel called " LEON II ". Charterers have the liberty to change the name of the vessel to M.Y. ADRIATIC at Charterer's expense and time. Change of name to be done while the ship is still at the yard and Charterers to pay for change of name maximum Usd. 5,000,00 (five thousand Usd. only)	3
	(hereinafter referred to as "the vessel") described as per <u>Clause 1</u> hereof and MESSRS. M.Y. SHIPPING PRIVATE LTD.	4
	of INDIA (hereinafter referred to as "Charterers"):	5
Description And Condition of Vessel	1. At the date of delivery of the vessel under this charter and throughout the charter period:	6
	(a) she shall be classed by a Classification Society which is a member of the International Association of Classification Societies;	7
	(b) she shall be in every way fit to carry crude-petroleum-and/or-its-products <i>see clause 69 hereof</i> ;	8
	(c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator, radar, computers and computer systems) in a good and efficient state;	9
	(d) her tanks, valves and pipelines shall be oil-tight;	10
	(e) she shall be in every way fitted for burning, in accordance with the grades specified in <u>Clause 29</u> hereof:	11
	(i) at sea, fuel oil for main propulsion and fuel-oil/marine diesel oil* for auxiliaries;	12
	(ii) in port, fuel-oil/marine diesel oil* for auxiliaries;	13
	(f) she shall comply with the regulations in force so as to enable her to pass through the Suez and Panama Canals by day and night without delay;	14
	(g) she shall have on board all certificates, documents and equipment required from time to time by any applicable law to enable her to perform the charter service without delay;	15
	(h) she shall comply with the description in the <i>Timecharter Description</i> OCIMF-Harmonised-Vessel Particulars-Questionnaire appended hereto as Appendix A, provided however that if there is any conflict between the provisions of this questionnaire and any other provision, including this <u>Clause 1</u> , of this charter such other provisions shall govern;	16
	(i) her ownership structure, flag, registry, classification society and management company shall not be changed;	17
Safety Management	(j) Owners will operate:	18
	(i) a safety management system certified to comply with the International Safety Management Code (ISM Code) for the Safe Operation of Ships and for Pollution Prevention;	19
	(ii) a documented safe working procedures system (including procedures for the identification and mitigation of risks);	20
	(iii) a documented environmental management system;	21
	(iv) documented accident/incident reporting system compliant with flag state requirements;	22
	(k) Owners shall submit to Charterers a monthly written report detailing all accidents/incidents and environmental reporting requirements, in accordance with the Shell Safety and Environmental Monthly Reporting Template appended hereto as Appendix B;	23
	(l) Owners shall maintain Health Safety Environmental (HSE) records sufficient to demonstrate compliance with the requirements of their HSE system and of this charter. Charterers reserve the right to confirm compliance with HSE requirements by audit of Owners.	24
	(m) Owners will arrange at their expense for a SIRE inspection to be carried out at intervals of six months plus or minus thirty days, <i>subject to vessel's schedule and trading area/pattern and to availability of sire inspector (see also Clause 65)</i> .	25
Shipboard Personnel And their Duties	2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:	26
	(i) she shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be trained to operate the vessel and her equipment competently and safely;	27
	(ii) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the law of the flag state;	28

	(iii)	all shipboard personnel shall be trained in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof;	52 53 54 55
	* Delete as appropriate		
	(iv)	there shall be on board sufficient personnel with a good working knowledge of the English language to enable cargo operations at loading and discharging places to be carried out efficiently and safely and to enable communications between the vessel and those loading the vessel or accepting discharge there from to be carried out quickly and efficiently;	56 57 58 59 60
	(v)	the terms of employment of the vessels staff and crew will always remain acceptable to The International Transport Workers Federation and the vessel will at all times carry a Blue Card; see Clause 71	61 62 63
	(vi)	the nationality of the vessels officers given in the <i>Time Charter Description</i> OCIMF Vessel Particulars	64
		Questionnaire referred to in <u>Clause 4(h)</u> provided on delivery will not change without Charterers prior agreement.	65 66
	(b)	Owners guarantee that throughout the charter service the master shall with the vessel's officers and crew, unless otherwise ordered by Charterers;	67
	(i)	prosecute all voyages with the utmost despatch;	68
	(ii)	render all customary assistance; and	69
	(iii)	load and discharge cargo as rapidly as possible when required by Charterers or their agents to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the case may be) and in each case in accordance with any applicable laws of the flag state.	70 71 72 73 74
Duty to Maintain	3. (a)	Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any event (whether or not coming within <u>Clause 27</u> hereof) requires steps to be taken to maintain or restore the conditions stipulated in <u>Clauses 1</u> and <u>2(a)</u> , exercise due diligence so to maintain or restore the vessel.	75 76 77 78
	(b)	If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the requirements of <u>Clauses 1, 2(a)</u> or <u>10</u> then hire shall be reduced to the extent necessary to indemnify Charterers for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time so lost.	79 80 81 82 83
		Any reduction of hire under this sub-Clause (b) shall be without prejudice to any other remedy available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under <u>Clause 24</u> .	84 85 86
	(c)	If Owners are in breach of their obligations under <u>Clause 3(a)</u> , Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in <u>Clause 3(a)</u> , the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence.	87 88 89 90 91
	(d)	Owners shall advise Charterers immediately, in writing, should the vessel fail an inspection by, but not limited to, a governmental and/or port state authority, and/or terminal and/or major charterer of similar tonnage. Owners shall simultaneously advise Charterers of their proposed course of action to remedy the defects which have caused the failure of such inspection.	92 93 94 95
	(e)	If, in Charterers reasonably held view, failure of an inspection, or, any finding of an inspection, referred to in <u>Clause 3 (d)</u>, prevents normal commercial operations then Charterers have the option to place the vessel off-hire from the date and time that the vessel fails such inspection, or becomes commercially inoperable, until the date and time that the vessel passes a re-inspection by the same organisation, or becomes commercially operable, which shall be in a position no less favourable to Charterers than at which she went off-hire.	96 97 98 99 100 101 102 103
	(f)	Furthermore, at any time while the vessel is off-hire under this <u>Clause 3</u> (with the exception of <u>Clause 3(e)(iii)</u>), Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any later date stated in such notice. This sub-Clause (f) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under <u>Clause 21</u> hereof).	104 105 106 107 108 109
Period Trading	4. (a)	Owners agree to let and Charterers agree to hire the vessel for a period of <i>one year</i> plus or minus <i>15</i> days in Charterers option, commencing from the time and date of delivery	110 111

Limits and	of the vessel, <i>optional year to be declared by Charterers latest 60 days prior to expiry of first year commencing from vessel's delivery date. If such date falls during London weekend or holiday then same to be declared next working day</i> , for the purpose of carrying all lawful merchandise (subject always to <u>Clause 28</u>)	112
Safe Places	including in particular; <i>list of cargoes to be agreed but always in accordance with vessel's Certificate of Fitness and coating resistance list and as permitted by vessel's class society and cargo equipment manufacturer lists as well as in accordance with vessel's stability trim and stress requirements and always harmless to vessels tanks, coatings, pumps, lines, gaskets and fittings. Vessel to be redelivered to Owners with last three (3) cargoes clean unil, und 2.5 NPA</i>	113 114
	in any part of the world <i>excluding United Nations and E.U. sanctioned and or Embargo countries, Ethiopia, Eritrea, Somalia, Yemen, North Korea, Lebanon, Cuba, Israel, Iraq, Turkish occupied Cyprus, Sierra Leone, Liberia</i> , as Charterers shall direct, subject to the limits of the current <i>British International</i>	115
	Institute Warranties and any subsequent amendments thereof <i>and subject to Clauses 62 and 68. Notwithstanding the foregoing;</i>	116
	but subject to Clause 36, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owners consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.	117 118 119 120
	(b) Any time during which the vessel is off-hire under this charter may be added to the charter period in Charterers option up to the total amount of time spent off-hire. In such cases the rate of hire will be that prevailing at the time the vessel would, but for the provisions of this Clause, have been redelivered.	121 122 123 124
	(c) Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter, Charterers do not warrant the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.	125 126 127 128 129 130 131 132 133 134 135
	(d) Unless otherwise agreed, the vessel shall be delivered by Owners <i>on dropping outward pilot off builder's yard (STX South Korea) at any time day and night Sunday and Holidays included port in</i>	136 137 138
	at Owners' option and redelivered to Owners <i>always DLOSP worldwide dropping outward pilot at a port in</i>	139
	at Charterers' option. <i>At redelivery place vessel to have enough bunkers to call nearest bunkering port.</i>	140 141
	(e) The vessel will deliver with last cargo(es) of and will redeliver with last cargo(es) of	142
	(f) Owners are required to give Charterers <i>15, 10, 7, 5, 3, 1</i> days prior notice of delivery and Charterers are required to give Owners <i>30, 15, 10, 7, 5, 3, 1</i> days prior notice of redelivery.	143 144
Laydays/ Cancelling	5. The vessel shall not be delivered to Charterers before <i>10th (00.01 hrs) October 2008</i> and Charterers shall have the option of cancelling this charter if the vessel is not ready and at their disposal on or before <i>30th (23.59 hrs) October 2008.</i>	145 146 147
Owners to Provide	6. Owners undertake to provide and to pay for all provisions, wages (including but not limited to all overtime payments) <i>Charterers to pay Usd. 600 per month for crew overtime</i> , and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in <u>Clauses 4 and 34</u> hereof, for all insurance on the vessel, for all deck, cabin and engine-room stores, and for water; for all drydocking, overhaul, maintenance and repairs to the vessel; and for all fumigation expenses and de-rat certificates. Owners' obligations under this <u>Clause 6</u> extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been	148 149 150 151 152 153 154 155 156

	compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a Period when the vessel is on-hire.	157 158 159
Charterers to Provide	7. (a) Charterers shall provide and pay for all fuel (except fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues <i>all taxes and/or dues and/or fees on vessel arising as result of its employment, and or fees on freight, hire, sub-charter hire, cargo and bunkers are to be for Charterer's account</i> and all charges other than those payable by Owners in accordance with <u>Clause 6</u> hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under <u>Clause 21</u> or <u>22</u>); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners.	160 161 162
	(b) In respect of bunkers consumed for Owners purposes these will be charged on each occasion by Charterers on a first-in-first-out basis valued on the prices actually paid by Charterers.	163 164 165 166 167
	(c) If the trading limits of this charter include ports in the United States of America and/or its protectorates then Charterers shall reimburse Owners for port specific charges relating to additional premiums charged by providers of oil pollution cover, when incurred by the vessel calling at ports in the United States of America and/or its protectorates in accordance with Charterers orders.	168 169 170 171 172 173 174
Rate of Hire	8. Subject as herein provided, Charterers shall pay <i>monthly in advance</i> for the use and hire of the vessel at the rate of United States Dollars <i>12,500.= per day, and pro rata for any part of a day, from the time and date of her delivery (local time) to Charterers until the time and date of redelivery (local time) to Owners for the first year; United States Dollars 12,800.= per day, and pro rata for any part of a day for optional year, less 1.25% total commission. Charterers to pay Usd. 600 per month for crew overtime. Communications/representatou at United States Dollars 600 per month, and pro rata for any part of a month.</i>	175 176 177 178
Payment of Hire	9. Subject to <u>Clause 3 (c)</u> and <u>3 (e)</u> , payment of hire shall be made in immediately available funds to:	179 180 181
	Account:	182 183 184
	in United States Dollars per-calendar monthly in advance, less:	185
	(i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and;	186
	(ii) any amounts disbursed on Owners' behalf, any advances and commission thereon, and charges which are for Owners' account pursuant to any provision hereof, and;	187 188
	(iii) any amounts due or reasonably estimated to become due to Charterers under <u>Clause 3 (c)</u> or <u>24</u> hereof,	189 190
	any such adjustments to be made at the due date for the next monthly payment after the facts have been ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners' account provided that Charterers have made proper and timely payment.	191 192 193 194
	In default of such proper and timely payment:	195
	(a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of such notice pay to Owners the amount due, including interest, failing which Owners may withdraw the vessel from the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise; and;	196 197 198 199
	(b) Interest on any amount due but not paid on the due date shall accrue from the day after that date up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime Interest Rate as published by the Chase Manhattan Bank in New York at 12.00 New York time on the due date, or, if no such interest rate is published on that day, the interest rate published on the next preceding day on which such a rate was so published, computed on the basis of a 360 day year of twelve 30-day months, compounded semi-annually.	200 201 202 203 204 205
Space Available to Charterers	10. The whole reach, burthen and decks on the vessel and any passenger accommodation (including Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores, provided that the weight of stores on board shall not, unless specially agreed, exceed 50 tonnes excluding fresh water and bunker and lub oil at any time during the charter period.	206 207 208 209
Segregated Ballast	11. In connection with the Council of the European Union Regulation on the Implementation of IMO Resolution A747(18) Owners will ensure that the following entry is made on the International Tonnage	210 211 212

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	jurisdiction of the High Court of Justice of England.	279
	(c) Owners warrant that the Master will comply with orders to carry and discharge against one or more Bills of Lading from a set of original negotiable Bills of Lading should Charterers so require.	280
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Conduct	14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall	283
Vessel's	Immediately investigate the complaint. If the complaint proves to be well founded, Owners shall,	284
Personnel	without <i>undue</i> delay, make a change in the appointments and Owners shall in any event communicate the result of their investigations to Charterers as soon as possible.	285
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Bunkers at	15. Charterers shall accept and pay for all bunkers on board at the time of delivery, and Owners shall on	287
Delivery and	redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter)	288
Redelivery	accept and pay for all bunkers remaining on board, at the price actually paid, on a first-in-first-out basis. Such prices are to be supported by paid invoices.	289
	Vessel to be delivered to and redelivered from the charter with, at least, a quantity of bunkers on board sufficient to reach the nearest main bunkering port.	290
	Notwithstanding anything contained in this charter all bunkers on board the vessel shall, throughout the duration of this charter, remain the property of Charterers and can only be purchased on the terms specified in the charter at the end of the charter period or, if earlier, at the termination of the charter.	291
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Stevedores	16. Stevedores, when required, shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that;	293
Pilots, Tugs	(a) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and;	294
	(b) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.	295
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Super-	17. Charterers may send representatives <i>and supercargo</i> in the vessel's available accommodation upon any voyage made	297
Numeraries	under this charter, Owners finding provisions and all requisites as supplied to officers, except alcohol.	298
	Charterers paying at the rate of United States Dollars <i>25 (twenty five)</i> 45-(fifteen) per day for each representative <i>and supercargo</i> while	299
	on board the vessel. <i>The supercargo may assist and advise the vessel in tank cleaning, loading and discharging operation, but will otherwise not interfere. The supercargo is onboard strictly in an advisory capacity. Charterers to sign Owners' P&I Club letter of indemnity prior boarding.</i>	300
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Sub-letting/	18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfilment of this charter. Additionally Charterers may assign or novate this charter to any company of the Royal Dutch/Shell Group of Companies.	302
Assignment/		303
Novation		304
Final Voyage	19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for;	305
	(a) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and;	306
	(b) bunkers on board at redelivery pursuant to <u>Clause 15</u> .	307
	Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.	308
	If at the time this charter would otherwise terminate in accordance with <u>Clause 4</u> the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage, Charterers shall continue to have the use of the vessel at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.	309
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Loss of	20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon on the day of her loss; should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.	311
Vessel		312
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Off-hire	21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the	314
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	vessel's service or, from reduction in the vessel's performance, or in any other manner);	340
	(i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and	341
	waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery,	342
	boilers or other parts of the vessel or her equipment (including without limitation tank	343
	coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to	344
	the vessel; or any other similar cause preventing the efficient working of the vessel; and	345
	such loss continues for more than three consecutive hours (if resulting from interruption	346
	in the vessel's service) or cumulates to more than three hours (if resulting from partial	347
	loss of service); or;	348
	(ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of	349
	the master, officers or crew; or;	350
	(iii) for the purpose of obtaining medical advice or treatment for or landing any sick or	351
	injured person (other than a Charterers' representative carried under <u>Clause 17</u> hereof) or	352
	for the purpose of landing the body of any person (other than a Charterers'	353
	representative), and such loss continues for more than three consecutive hours; or;	354
	(iv) due to any delay in quarantine arising from the master, officers or crew having had	355
	communication with the shore at any infected area without the written consent or	356
	instructions of Charterers or their agents, or to any detention by customs or other	357
	authorities caused by smuggling or other infraction of local law on the part of the master,	358
	officers, or crew; or;	359
	(v) due to detention of the vessel by authorities at home or abroad attributable to legal	360
	action against or breach of regulations by the vessel, the vessel's owners, or Owners	361
	(unless brought about by the act or neglect of Charterers); then;	362
	without prejudice to Charterers' rights under <u>Clause 3</u> or to any other rights of Charterers	363
	hereunder, or otherwise, the vessel shall be off-hire from the commencement of such loss of	364
	time until she is again ready and in an efficient state to resume her service from a position not	365
	less favourable to Charterers than that at which such loss of time commenced; provided,	366
	however, that any service given or distance made good by the vessel whilst off-hire shall be	367
	taken into account in assessing the amount to be deducted from hire.	368
	(b) If the vessel fails to proceed at any guaranteed speed pursuant to <u>Clause 24</u> , and such failure	369
	arises wholly or partly from any of the causes set out in <u>Clause 21(a)</u> above, then the period for	370
	which the vessel shall be off-hire under this <u>Clause 21</u> shall be the difference between;	371
	(i) the time the vessel would have required to perform the relevant service at such	372
	guaranteed speed, and;	373
	(ii) the time actually taken to perform such service (including any loss of time arising from	374
	interruption in the performance of such service).	375
	For the avoidance of doubt, all time included under (ii) above shall be excluded from any	376
	computation under <u>Clause 24</u> .	377
	(c) Further and without prejudice to the foregoing, in the event of the vessel deviating (which	378
	expression includes without limitation putting back, or putting into any port other than that to	379
	which she is bound under the instructions of Charterers) for any cause or purpose mentioned in	380
	<u>Clause 21(a)</u> , the vessel shall be off-hire from the commencement of such deviation until the	381
	time when she is again ready and in an efficient state to resume her service from a position not	382
	less favourable to Charterers than that at which the deviation commenced, provided, however,	383
	that any service given or distance made good by the vessel whilst so off-hire shall be taken into	384
	account in assessing the amount to be deducted from hire. If the vessel, for any cause or	385
	purpose mentioned in <u>Clause 21 (a)</u> , puts into any port other than the port to which she is	386
	bound on the instructions of Charterers, the port charges, pilotage and other expenses at such	387
	port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress	388
	of weather hire shall continue to be due and payable during any time lost thereby.	389
	(d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such	390
	hostilities find it commercially impracticable to employ the vessel and have given Owners	391
	written notice thereof then from the date of receipt by Owners of such notice until the	392
	termination of such commercial impracticability the vessel shall be off-hire and Owners shall	393
	have the right to employ the vessel on their own account.	394
	(e) Time during which the vessel is off-hire under this charter shall count as part of the charter	395
	period except where Charterers declare their option to add off-hire periods under <u>Clause 4 (b)</u> .	396
	(f) All references to time in this charter party shall be references to local time except where	397
	otherwise stated.	398
Periodical	22. (a) Owners have the right and obligation to drydock the vessel at regular intervals of <i>60 months plus/minus</i>	399
	<i>6 months and/or in case of emergency or class requirement.</i>	
Drydocking	On each occasion Owners shall propose to Charterers a date on which they wish to drydock the	400
	vessel, not less than <i>1 month, subject always to vessel's fixed program</i> , before such date, <i>unless</i>	401
	<i>three is an emergency case</i> , and Owners shall nominate a port for such periodical drydocking	
	and Charterers shall offer a port for such	

	periodical drydocking and <i>Charterers</i> shall take all reasonable steps to make the vessel available as near to	402						
	such date <i>and port</i> as practicable.	403						
	Owners shall put the vessel in drydock at their expense as soon as practicable after <i>Charterers</i>	404						
	place the vessel at Owners' disposal clear of cargo other than tank washings and residues.	405						
	Owners shall be responsible for and pay for the disposal into reception facilities of such tank	406						
	washings and residues and shall have the right to retain any monies received therefor, without	407						
	prejudice to any claim for loss of cargo under any Bill of Lading or this charter.	408						
	(b) If a periodical drydocking is carried out in the port offered by <i>Charterers</i> (which must have	409						
	suitable accommodation for the purpose and reception facilities for tank washings and	410						
	residues), the vessel shall be off-hire from the time she arrives at such port until drydocking is	411						
	completed and she is in every way ready to resume <i>Charterers</i> ' service and is at the position at	412						
	which she went off-hire or a position no less favourable to <i>Charterers</i> , whichever she first	413						
	attains. However;	414						
	(i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-	415						
	freeing to the standard required for entry into drydock for cleaning and painting the hull	416						
	shall not count as off-hire, whether lost on passage to the drydocking port or after arrival	417						
	there (notwithstanding <u>Clause 21</u>), and;	418						
	(ii) any additional time lost in further gas-freeing to meet the standard required for hot work	419						
	or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking	420						
	port or after arrival there.	421						
	Any time which, but for <u>sub-Clause (i)</u> above, would be off-hire, shall not be included in any	422						
	calculation under <u>Clause 24</u> .	423						
	The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for	424						
	Owners account.	425						
	(c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical	426						
	drydocking at a special port selected by them, the vessel shall be off-hire from the time when	427						
	she is released to proceed to the special port until she next presents for loading in accordance	428						
	with <i>Charterers</i> ' instructions, provided, however, that <i>Charterers</i> shall credit Owners with the	429						
	time which would have been taken on passage at the service speed had the vessel not proceeded	430						
	to drydock. All fuel consumed shall be paid for by Owners but <i>Charterers</i> shall credit Owners	431						
	with the value of the fuel which would have been used on such notional passage calculated at	432						
	the guaranteed daily consumption for the service speed, and shall further credit Owners with	433						
	any benefit they may gain in purchasing bunkers at the special port.	434						
	(d) <i>Charterers</i> shall, insofar as cleaning for periodical drydocking may have reduced the amount of	435						
	tank-cleaning necessary to meet <i>Charterers</i> ' requirements, credit Owners with the value of any	436						
	bunkers which <i>Charterers</i> calculate to have been saved thereby, whether the vessel drydocks at	437						
	an offered or a special port.	438						
Ship	23. <i>Charterers</i> shall have the right at any time during the charter period to make such inspection of the	439						
Inspection	vessel as they may consider necessary. This right may be exercised as often and at such intervals as	440						
	<i>Charterers</i> in their absolute discretion may determine and whether the vessel is in port or on passage.	441						
	Owners affording all necessary co-operation and accommodation on board provided, however:	442						
	(a) that neither the exercise nor the non-exercise, nor anything done or not done in the exercise	443						
	or non-exercise, by <i>Charterers</i> of such right shall in any way reduce the master's or Owners'	444						
	authority over, or responsibility to <i>Charterers</i> or third parties for, the vessel and every aspect of	445						
	her operation, nor increase <i>Charterers</i> ' responsibilities to Owners or third parties for the same;	446						
	and;	447						
	(b) that <i>Charterers</i> shall not be liable for any act, neglect or default by themselves, their	448						
	servants or agents in the exercise or non-exercise of the aforesaid right.	449						
Detailed	24. (a) Owners guarantee that the speed and consumption of the vessel shall be as follows:- <i>see clause 74</i>	450						
	<i>hereof</i>							
	<i>Owners warrant vessel's speed of knots in laden condition and knots in ballast</i>							
	<i>condition on 19 metric tons IFO for main engine.</i>							
Description	Average speed	Maximum	average	bunker	consumption	per	day	451
and	in knots	main propulsion			auxillaries			452
Performance		fuel oil/ diesel oil			fuel oil/diesel oil			453
	Laden	tonnes			tonnes			454
	_____	_____	_____	_____	_____	_____	_____	455
	_____	_____	_____	_____	_____	_____	_____	456
	_____	_____	_____	_____	_____	_____	_____	457
	Ballast	_____	_____	_____	_____	_____	_____	458
	_____	_____	_____	_____	_____	_____	_____	459
	_____	_____	_____	_____	_____	_____	_____	460
	_____	_____	_____	_____	_____	_____	_____	461
	<i>As per vessel's estimated speed and consumptions given to Charterers.</i>							

	The foregoing bunker consumptions are for all purposes except cargo heating and tank cleaning	462
	and <i>ballasting and deballasting</i> and shall be pro-rated between the speeds shown.	463
	The service speed of the vessel is knots laden and knots in ballast and in the absence	464
	of Charterers' orders to the contrary the vessel shall proceed at the service speed. However if	465
	more than one laden and one ballast speed are shown in the table above Charterers shall have	466
	the right to order the vessel to steam at any speed within the range set out in the table (the	467
	"ordered speed").	468
	If the vessel is ordered to proceed at any speed other than the highest speed shown in the	469
	table, and the average speed actually attained by the vessel during the currency of such order	470
	exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the	471
	purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed	472
	shall be used in place of the average speed actually attained.	473
	For the purposes of this charter the "guaranteed speed" at any time shall be the then current	474
	ordered speed or the service speed, as the case may be.	475
	The average speeds and bunker consumptions shall for the purposes of this Clause 24 be	476
	calculated by reference to the observed distance from pilot station to pilot station on all sea	477
	passages during each period stipulated in Clause 24 (c), but excluding any time during which	478
	the vessel is (or but for Clause 22 (b) (i) would be) off-hire and also excluding "Adverse	479
	Weather Periods", being;	480
	(i) any periods during which reduction of speed is necessary for safety in congested waters	481
	or in poor visibility;	482
	(ii) any days, noon to noon, when winds exceed force -8 <i>4 (four)</i> on the Beaufort Scale for more than	483
	12 hours.	484
	(b) If during any year from the date on which the vessel enters service (anniversary to anniversary)	485
	the vessel falls below or exceeds the performance guaranteed in Clause 24 (a) then if such	486
	shortfall or excess results;	487
	(i) from a reduction or an increase in the average speed of the vessel, compared to the speed	488
	guaranteed in Clause 24 (a), then an amount equal to the value at the hire rate of the time	489
	so lost or gained, as the case may be, shall be included in the performance calculation <i>deducted</i>	490
	<i>from the hire paid;</i>	
	(ii) from an increase or a decrease in the total bunkers consumed, compared to the total	491
	bunkers which would have been consumed had the vessel performed as guaranteed in	492
	Clause 24 (a), an amount equivalent to the value of the additional bunkers consumed or	493
	the bunkers saved, as the case may be, based on the average price paid by Charterers for	494
	the vessel's bunkers in such period, shall be included in the performance calculation <i>deducted from</i>	495
	<i>the hire paid.</i>	
	The results of the performance calculation <i>deduction from hire so calculated</i> for laden and ballast	496
	mileage respectively shall be	
	adjusted to take into account the mileage steamed in each such condition during Adverse Weather	497
	Periods, by dividing such addition or deduction by the number of miles over which the	498
	performance has been calculated and multiplying by the same number of miles plus the miles	499
	steamed during the Adverse Weather Periods, in order to establish the total performance	500
	calculation <i>deduction</i> for such period.	501
	Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other	502
	remedy available to Charterers.	503
	(c) Calculations under this Clause 24 shall be made for the yearly periods terminating on each	504
	successive anniversary of the date on which the vessel enters service, and for the period	505
	between the last such anniversary and the date of termination of this charter if less than a year.	506
	Claims in respect of reduction of hire arising under this Clause during the final year or part	507
	year of the charter period shall in the first instance be settled in accordance with Charterers'	508
	estimate made two months before the end of the charter period. Any necessary adjustment	509
	after this charter terminates shall be made by payment by Owners to Charterers or by	510
	Charterers to Owners as the case may require.	511
	(d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not	512
	entitled to additional hire for performance in excess of the speeds and consumptions given in	513
	this Clause 24.	514
Salvage	25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any	515
	damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting	516
	to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and	517
	Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by	518
	Owners arising in any way out of services rendered under this Clause 25.	519
	All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers	520
	after deducting the master's, officers' and crew's share.	521
Lien	26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any	522

	amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.	523 524 525
Exceptions	27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that <u>Clauses 1, 2, 3 and 24</u> hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.	526 527 528 529 530 531 532 533 534 535 536 537
	(b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.	538 539
	(c) <u>Clause 27(a)</u> shall not apply to, or affect any liability of Owners or the vessel or any other relevant person in respect of;	540 541
	(i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or;	542 543 544 545
	(ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules or the Hamburg Rules, as the case may be, which ought pursuant to <u>Clause 38</u> hereof to have been incorporated in the relevant Bill of Lading (whether or not such Rules were so incorporated) or, if no such Bill of Lading is issued, to the Hague-Visby Rules unless the Hamburg Rules compulsorily apply in which case to the Hamburg Rules.	546 547 548 549 550 551 552
	(d) In particular and without limitation, the foregoing <u>subsections (a) and (b)</u> of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.	553 554 555
Injurious Cargoes	28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.	556 557 558 559
Grade of Bunkers	29. Charterers shall supply fuel oil with a maximum viscosity of <u>380</u> centistokes at 50 degrees centigrade <u>according to RMG-35</u> and/or marine diesel oil for main propulsion and <u>marine diesel oil</u> fuel oil with a maximum viscosity of <u>centistokes at 50 degrees centigrade and/or diesel oil</u> for the auxiliaries. If Owners require the vessel to be supplied with more expensive bunkers they shall be liable for the extra cost thereof.	560 561 562 563 564
	Charterers warrant that all bunkers provided by them in accordance herewith shall be of a quality complying with ISO Standard 8217 for Marine Residual Fuels and Marine Distillate Fuels as applicable.	565 566 567
Disbursements	30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.	568 569 570
Laying-up	31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by <u>mutually agreed between Owners and Charterers</u> , in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay up. Charterers may exercise the said option any number of times during the charter period.	571 572 573 574 575
Requisition	32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such governments in respect of such requisition period shall be for Owners' account. Any such requisition period shall count as part of the charter period.	576 577 578 579
Outbreak of War	33. If war or hostilities break out between any two or more of the following countries: U.S.A., the countries or republics having been part of the former U.S.S.R. (except that declaration of war or hostilities solely between any two or more of the countries or republics having been part of the former USSR shall be exempted), P.R.C., U.K., Netherlands, <u>Germany</u> then both Owners and Charterers shall have the right to cancel this charter.	580 581 582 583 584

Additional War Expenses	34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war, Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably <i>actually</i> incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders. Any payments by Charterers under this clause will only be made against proven documentation. Any discount or rebate refunded to Owners, for whatever reason, in respect of additional war risk premium shall be passed on to Charterers.	585 586 587 588 589 590 591 592 593 594
War Risks	35. (a) The master shall not be required or bound to sign Bills of Lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions. (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35(a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified in writing or by radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned. (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfilment of Owners' obligations under this charter so far as cargo so discharged is concerned. Charterers shall procure that all Bills of Lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.	595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630
Both to Blame Collision Clause	36. If the liability for any collision in which the vessel is involved while performing this charter falls to be determined in accordance with the laws of the United States of America, the following provision shall apply: "If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier." "The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact." Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved falls to be determined in accordance with the laws of the United States of America.	631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647
New Jason Clause	37. General average contributions shall be payable according to York/Antwerp Rules, 1994, as amended from time to time, and shall be adjusted in London in accordance with English law and practice but should adjustment be made in accordance with the law and practice of the United States of America,	648 649 650

		the following position shall apply:	651
		"In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo."	652 653 654 655 656 657
		"If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery."	658 659 660 661 662
		Charterers shall procure that all Bills of Lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.	663 664 665
Clause Paramount	38.	Charterers shall procure that all Bills of Lading issued pursuant to this charter shall contain the following: "(1) Subject to <u>sub-clause (2) or (3)</u> hereof, this Bill of Lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the "Hague Rules") as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the "Hague-Visby Rules"). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules." "(2) If there is governing legislation which applies the Hague Rules compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hague Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules." "(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods by Sea 1978 (hereafter the Hamburg Rules) compulsorily to this Bill of Lading, to the exclusion of the Hague-Visby Rules, then this Bill of Lading shall have effect subject to the Hamburg Rules. Nothing therein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules." "(4) If any term of this Bill of Lading is repugnant to the Hague-Visby Rules, or Hague Rules, or Hamburg Rules, as applicable, such term shall be void to that extent but no further." "(5) Nothing in this Bill of Lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law."	666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690
Insurance/	39.	Owners warrant that the vessel is now, and will, throughout the duration of the charter: <i>See also Clauses 63 and 64</i>	691
ITOPF		(a) be owned or demise chartered by a member of the International Tanker Owners Pollution Federation Limited; (b) be properly entered in P & I Club, being a member of the International Group of P and I Clubs; (c) have in place insurance cover for oil pollution for the maximum on offer through the International Group of P & I Clubs but always a minimum of United States Dollars 4,000,000,000 (one thousand million); (d) have in full force and effect Hull and Machinery insurance placed through reputable brokers on Institute Time Clauses or equivalent for the value of United States Dollars as from time to time may be amended with Charterers approval, which shall not be unreasonably withheld.	692 693 694 695 696 697 698 699 700 701 702
		Owners will provide, within a reasonable time following a request from Charterers to do so, documented evidence of compliance with the warranties given in this <u>Clause 39</u> .	703
Export Restrictions	40.	The master shall not be required or bound to sign Bills of Lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped. Charterers shall procure that all Bills of Lading issued under this charter shall contain the following clause: "If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this Bill of Lading, carriers shall be entitled to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and	704 705 706 707 708 709 710 711 712 713 714 715

	discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this Bill of Lading so far as the cargo so discharged is concerned".	716
	The foregoing provision shall apply mutatis mutandis to this charter, the references to a Bill of Lading being deemed to be references to this charter.	717
Business Principles	41. Owners will co-operate with Charterers to ensure that the Business Principles, as amended from time to time, of the Royal Dutch/Shell Group of Companies, which are posted on the Shell Worldwide Web (www.Shell.com), are complied with.	718
Drugs and Alcohol	42. (a) Owners warrant that they have in force an active policy covering the vessel which meets or exceeds the standards set out in the "Guidelines for the Control of Drugs and Alcohol On Board Ship" as published by the Oil Companies International Marine Forum (OCIMF) dated January 1990 (or any subsequent modification, version, or variation of these guidelines) and that this policy will remain in force throughout the charter period, and Owners will exercise due diligence to ensure the policy is complied with.	719
	(b) Owners warrant that the current policy concerning drugs and alcohol on board is acceptable to ExxonMobil and will remain so throughout the charter period.	720
Oil Major Acceptability	43. If, at any time during the charter period, the vessel becomes unacceptable to any Oil Major, Charterers shall have the right to terminate the charter. See clause 65.	721
Pollution and Emergency Response	44. Owners are to advise Charterers of organisational details and names of Owners personnel together with their relevant telephone/facsimile/e-mail/telex numbers, including the names and contact details of Qualified Individuals for OPA 90 response, who may be contacted on a 24 hour basis in the event of oil spills or emergencies.	722
ISPS Code/US MTSA 2002	45. (a) (i) From the date of coming into force of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) and the US Maritime Transportation Security Act 2002 (MTSA) in relation to the Vessel and thereafter during the currency of this charter, Owners shall procure that both the Vessel and "the Company" (as defined by the ISPS Code) and the owner (as defined by the MTSA) shall comply with the requirements of the ISPS Code relating to the Vessel and "the Company" and the requirements of MTSA relating to the vessel and the owner. Upon request Owners shall provide documentary evidence of compliance with this <u>Clause 45(a)(i)</u> .	723
	(ii) Except as otherwise provided in this charter, loss, damage, expense or delay, caused by failure on the part of Owners or "the Company"/owner to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for Owners' account.	724
	(b) (i) Charterers shall provide Owners/Master with their full style contact details and shall ensure that the contact details of all sub-charterers are likewise provided to Owners/Master. Furthermore, Charterers shall ensure that all sub-charter parties they enter into during the period of this charter contain the following provision: "The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners".	725
	(ii) Except as otherwise provided in this charter, loss, damage, expense or delay, caused by failure on the part of Charterers to comply with this <u>sub-Clause 45(b)</u> shall be for Charterers' account.	726
	(c) Notwithstanding anything else contained in this charter costs or expenses related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, tug escorts, port security fees or taxes and inspections, shall be for Charterers' account, unless such costs or expenses result solely from Owners' negligence in which case such costs or expenses shall be for Owners' account. All measures required by Owners to comply with the security plan required by the ISPS Code/MTSA shall be for Owners' account.	727
	(d) Notwithstanding any other provision of this charter, the vessel shall not be off-hire where there is a loss of time caused by Charterers failure to comply with the ISPS Code/MTSA (when in force).	728
	(e) If either party makes any payment which is for the other party's account according to this Clause, the other party shall indemnify the paying party.	729
Law and Litigation	46. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of England.	730
	(b) All disputes arising out of this charter shall be referred to Arbitration in London in accordance with the Arbitration Act 1996 (or any re-enactment or modification thereof for the time being in force) subject to the following appointment procedure:	731
	(i) The parties shall jointly appoint a sole arbitrator not later than 28 days after service of a request in writing by either party to do so.	732

- (ii) ~~If the parties are unable or unwilling to agree the appointment of a sole arbitrator in accordance with (i) then each party shall appoint one arbitrator, in any event not later than 14 days after receipt of a further request in writing by either party to do so. The two arbitrators so appointed shall appoint a third arbitrator before any substantive hearing or forthwith if they cannot agree on a matter relating to the arbitration.~~ 782
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- (iii) ~~If a party fails to appoint an arbitrator within the time specified in (ii) (the Party in Default), the party who has duly appointed his arbitrator shall give notice in writing to the Party in Default that he proposes to appoint his arbitrator to act as sole arbitrator.~~ 787
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- (iv) ~~If the Party in Default does not within 7 days of the notice given pursuant to (iii) make the required appointment and notify the other party that he has done so the other party may appoint his arbitrator as sole arbitrator whose award shall be binding on both parties as if he had been so appointed by agreement.~~ 790
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- (v) ~~Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.~~ 794
- (vi) ~~For the purposes of this clause 46(b) any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.~~ 795
796
- (c) ~~It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.~~ 797
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BIMCO STANDARD DISPUTE RESOLUTION CLAUSE - see attached clause 73.

- Confidentiality 47. All terms and conditions of this charter arrangement shall be kept private and confidential 801
Construction 48. The side headings have been included in this charter for convenience of reference and shall in no 802
way affect the construction hereof. 803
- Appendix A: OCIMF Vessel Particulars Questionnaire for the vessel, as attached, shall be 804
incorporated herein. 805
- Appendix B: Shell Safety and Environmental Monthly Reporting Template, as attached, shall be 806
incorporated herein. 807
- Additional Clauses: ***49 through 75 both inclusive*** As attached, shall be incorporated herein. 808

***IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS
CHARTER, CONSISTING OF PART A CLAUSES 1 THROUGH 48 AND
PART B, CLAUSES 49 THROUGH 75 TO BE EXECUTED IN DUPLICATE***

SIGNED FOR OWNERS
FULL NAME _____
POSITION _____

SIGNED FOR CHARTERERS
FULL NAME _____
POSITION _____

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SHELLTIME4

Shell Safety and Environmental Monthly Reporting Template	Return to: _____
	Charterers marked for the attention of: _____
	Fax: _____
	Phone: _____
	Email: _____

Time Chartered Vessel Name	_____
Management Company	_____
Month	_____

OIL SPILLS INCIDENTS (Any amount entering the water) Approximate volume in barrels and brief details	_____
ANY OTHER INCIDENTS resulting in or having potential for injury, damage or loss	_____

FOR DEFINITIONS OF INCIDENT CLASSIFICATION AND EXPOSURE HOURS PLEASE SEE OIL COMPANIES INTERNATIONAL MARINE FORUM (OCIMF) BOOKLET "Marine Injury Reporting Guidelines" (February 1997) or any subsequent version, amendment, or variation to them

A. No. Of Crew:	_____
B. Days in month / period:	_____
EXPOSURE HOURS (A x B x 24):	_____

LOST TIME INJURIES (LTI'S) including brief details / any treatments

TOTAL RECORDABLE CASE INJURIES (TRC'S) including brief details / any treatments

PLEASE CONFIRM YOUR RETURN CONTACT DETAILS:

Name: _____
Phone: _____
Fax: _____
Email: _____

Return for each calendar month - by 10th of following month.

Shell Safety and Environmental Monthly Reporting Template	Return to: _____
	Charterers marked for the attention of: _____
	Fax: _____
	Phone: _____
	Email: _____

Time Chartered Vessel Name	_____
Management Company	_____
Month	_____

Notes: Please enter zero i.e. "0" where any amount is nil (rather than entering "Nil" or N/A")
Please do not enter a % sign in the entry boxes for Fuel Sulphur content i.e. if it is 3% then just enter "3".
Cargo loaded for LNG vessels should also be reported as tonnes and not as m3.

Monthly Consumption - Fuel Oil mt	_____
Sulphur content of Fuel Oil (percentage weight)	_____
Monthly Consumption - Diesel and/or Gas Oil mt	_____
Monthly Consumption (LNG ships only) - Fuel Gases mt	_____

Please do not enter a % sign in the entry boxes for Fuel Sulphur content i.e. if it is 3% then just enter 3".
Cargo loaded for LNG vessels should also be reported as tonnes and not as m3.

Monthly Distance Steamed	_____
Monthly Cargo Loaded - mt	_____

Refrigerant Gas Consumption - Type	_____
Refrigerant Gas Consumption - Quantity (litres)	_____

Garbage Disposal m3 - At Sea	_____
Garbage Disposal m3 - Incinerated on Board	_____
Garbage Disposal m3 - Sent Ashore	_____

OIL SPILL INCIDENTS (Other than those entering the water) Approx. volume & brief details	_____
--	-------

Return for each calendar month - by 10th of following month

Clause 49

In the event of loss of time due to blockades or boycott of the vessel in any port or place by spore labor or others (whether arising government restrictions or not) by reason of :

- A) The vessel's flag or ownership;
- B) The terms and conditions on which the members of the crew are employed;
- C) The trading of any other vessel under same ownership;
- D) Any proven physical or documentary deficiency in the relation to the vessels safety, cargo gear, or other equipment as on board;

Then payment of hire shall cease for the time hereby lost.

Clause 50

Safety equipment on board the vessel shall be as per class requirements and flag administration regulations for ships of similar size, type and trading area. Owners warrant to operate vessel in accordance with Charterers' time charter instructions and all applicable international regulations, including but not limited to "ISM Code" and "OCIMF Drug and Alcohol policy".

Owners warrant that all class and trading certificates will be on board valid and un-expired throughout the entire period of the charter.

It is understood that the Vessel shall always be in class and that deficiencies and / or recommendations shall be attended to without undue delay, except for those recommendations that can be safely postponed 10 next scheduled dry-docking. The Vessel shall not be excluded from calling any ports due to deficiencies/recommendations given by port state control. All certificates shall be maintained throughout the Charter

Clause 51

The vessel to be equipped with radios with suitable frequencies. Vessel will maintain watch on communication equipment on board in order to enable flexibility and fast responses concerning cargo plans, alterations of destinations, deviations and any other similar kind of commercial requirements. Vessel to be equipped with E-Mail and telex and telefax communication.

Clause 52

The master, officers and crew shall be employed by the Owners and/or the ship managers. The vessel, master, and crew must carry out commercial operations with utmost dispatch.

All officers shall be able to give good working command in the English language. All crew shall have proper knowledge of the English language.

2/3 of the crew always including Master and Senior Officers shall have experience and knowledge of running chemical tankers.

Vessel is to load quantity as instructed by the Charterers and always in accordance with the vessel's cargo tank capacity and the Master never to accept any other quantity than that specified by Charterers in their voyage orders.

Clause 53

Gangway watchmen to be for Owners' account. Fire watchmen to be for Owners' account if so requested by Master and/or Owners or to be for Charterers' account if compulsory by port/other authorities.

Clause 54

Owners shall keep the Vessel sufficiently and properly manned to efficiently perform all duties and functions normally connected to chemical parcel, general liquid chemicals and petroleum products trade including but not necessarily limited to loading, discharging, transferring of cargo and/or ballast, rigging cargo Bear, and sweeping and cleaning tanks. Multiple, simultaneous operations are expected. It is understood and agreed that the above mentioned duties and functions shall be done at sea as well as in port. In this connection, the master shall prosecute his voyage with utmost dispatch and shall render all reasonable assistance with the Vessel's crew and equipment.

During the currency of this charter Owners to keep a good house-holding on board the vessel and keep the ship clean everywhere including but not limited to on deck, the outside, in the accommodation and in the engine room.

Clause 55

Tank cleaning within the parcel tanker and general liquid products trade includes washing, mopping and drying and other duties and functions required to make the tank(s) suitable for the next cargo. Tank cleaning includes a broad scope of methods, which may be required in some instances: it may include washing with high-pressure nozzles rigged from deck (butterworth); it may require crew members to enter the tanks and physically scrape and remove any rust, scale or foreign matter that can be injurious to the intended cargo; it may include gas freeing; it may require application of tank cleaning chemicals or solvent with either spraying equipment or through the vessel's fixed tank washing equipment. These examples are not complete as it is always the responsibility of the Owners and the crew to follow Charterers' customary to the trade voyage orders and cleaning instructions which shall always be provided timely and appropriately to the master along with the voyage orders in orderly format.

Tank cleaning shall always be performed as early after completion of discharging as possible.

The vessel's crew is, when required by Charterers, to perform sweeping (squeegeeing) of cargo tanks, which is defined as part of the final discharge operation whereby the crew agitates, mixes and physically pushes or squeegees the cargo to the suction pipe when required by the Charterers. This particular operation shall be paid by Charterers at USD100,- per tank per sweeping operation to the Master directly. Subsequent to washing cargo tanks with seawater, the tanks shall always be flushed with fresh water.

All necessary cleaning equipment and chemicals to be supplied and paid for by Charterers.

Clause 56

Ballasting will when possible be done concurrent with discharging-operation and will in no way disturb or interrupt the discharge or in any other way cause delays to effective operation of the vessel, subject to terminal regulations.

De-ballasting will when possible be done concurrent with loading operation and will in no way disturb or interrupt the loading or in any other way cause delays to effective operation of the vessel, subject to terminal regulations.

Clause 57

The Charterers shall have the option of loading over top i.e. through the dock hatches. In such case, the distribution of the cargo throughout the Vessel shall be undertaken by Master, connecting the hoses on board the Vessel is to be performed by the Vessel's crew, provided this operation is not in conflict with law and safety regulations of port authorities, always at Master's discretion related to safety of ship and crew and the environment. Any additional equipment and or costs related to such operation far Charterers' account. Charterers confirm they will be responsible for the risk.

Any STS operations shall always be performed in a safe port or place suitable for the intended operation and shall always be in accordance with OCIMF guidelines for STS operations, All fenders, hoses, mooring loading master, if required, and associated equipments to be for Charterers account and to be supplied by them.

Clause 58

The vessel shall during discharge operations be able to maintain 100 PSI at vessel's manifold provided shore facilities permit.

During discharge operations the vessel shall maintain pumping logs and issue letters of protest if so required and the crew shall make best endeavours to have both countersigned by the terminal.

Should it become necessary to withdraw the vessel from the berth as a result of vessel being unable to discharge the cargo at its warranted capacity, all time so lost as well as shifting expenses to anchorage to be for Owners' account. To clarify the principle agreed between the parties, time and shifting expense to anchorage shall not be for Owners account if reduced discharge capacity is caused by restrictions at shore, vessel is allowed to discharge freely through all manifolds into 10" lines, notwithstanding cargo is one grade or several (within vessels natural segregation. Le, time and expense for shifting to anchorage shall only be for Owners account if the reduced discharge capacity is caused solely by technical problems onboard the vessel.

Clause 59

Vessel to be equipped with 4 cargo hoses each of 8-inch diameter and each of 10 meters length. Hoses must be duly pressure tested and certified with intervals of no more than 12 months.

Cargo manifold must comply with the applicable OCIMF rules for oil tankers of similar size and type. All flanges to be of ANSI standard.

Personnel on board are always to be made available to Charterers to load or discharge as many grades of cargo simultaneously as the vessel can separate as per the OCIMF

Cont'd Clause 59

Questionnaire.

Owners agree that without causing delays to the vessel the Master and Crew will connect/disconnect cargo hoses and bunker hoses on board Vessel only at both loading and discharging ports provided this operation is not in conflict with international law and safety regulations of port authorities and to take and keep on board cargo samples from vessels sample taps as per Charterers' instructions, within capacity of Vessel's cargo sample bottles,

Clause 60

If Charterers require cargo heating, the vessel shall, on passage to and whilst at discharging port(s), maintain the cargo at the loaded temperature or at the temperature stated in Charterers voyage instructions always in accordance with the cargo resistance list and the capabilities of the heating system. Charterers may request that the temperature of the cargo be raised above or lowered below that at which it was loaded, in which event Owners shall use their best endeavors to comply with such request.

Clause 61

Deleted.

Clause 62

- (a) The Vessel shall not be obliged to force ice nor to follow ice-breakers.
- (b) The Vessel shall not be required to enter or remain in any icebound port or area, nor any port or area where lights, lightships, markers or buoys have been or are about to be withdrawn by reason of ice, nor where on account of ice there is, in the Master's sole discretion, a risk that, in the ordinary course of events, the Vessel will not be able safely to enter and remain at the port or area or to depart after completion of loading or discharging. If, on account of ice, the Master in his sole discretion considers it unsafe to proceed to, enter or remain at the place of loading or discharging for fear of the Vessel being frozen in and/or damaged, he shall be at liberty to sail to the nearest ice-free and safe place and there await the Charterers' instructions.

Cont'd Clause 62

- (d) Any additional premiums and/or calls required by the Vessel's underwriters due to the Vessel entering or remaining in any icebound port or area shall be for the Charterers' account.
- (e) Any costs and expenses actually incurred by the Owners as a result of the vessel trading in ice shall be for Charterers account.

Clause 63

The Owners warrant that during the currency of this charter the vessel will comply with the following requirements:

- A) The vessel shall have P and I insurance from a recognized P and I club, which is a member of IGA (International Group Agreement),
- B) That P & I insurance premiums are correctly paid,
- C) That the vessel is covered for oil spillage at the highest possible amount with its P & I club which at present is USD 1 billion,
- D) That valid P&I certificates always are on board,
- E) That the vessel will be owned (or demise-chartered or technically managed) by a member of "The International Tanker Owners Pollution Federation Ltd.",
- F) That the Owners will give the Charterers, provided there is no conflict of interest, the full use and coverage of its P and I club services as far as the P and I rules permit.
- G) That upon delivery and again latest 3 days before expiry of each insurance period, Owners to give Charterers copies of P&I certificates for the respective periods.

Clause 64

The Charterers shall during the currency of this Charter take out and maintain "Charterers' liability insurance" with underwrite. Upon delivery and again latest 3 days before expiry of each insurance period, Charterers to give Owners copies of appropriate insurance certificates for the respective periods.

Clause 65 (Vetting Clause)

VETTING CLAUSE

.....

OWNERS/VESSEL SHALL WARRANT TO OBTAIN CLEAR CDI AND VALID SIRE WITH ACCEPTANCE FROM MAJOR OIL COMPANIES WHICH INCLUDE SHELL, BP, EXXONMOBIL, CHEVRONTExACO AND PETRONAS. OWNERS ACKNOWLEDGE THAT SOME OF THESE COMPANIES HAVE ESTABLISHED ROUTINES FOR APPROVAL BASED ON CDI INSPECTION PROGRAMME. OWNERS TO ARRANGE FOR INSPECTION AS AND WHEN REQUIRED AT THEIR EXPENSE, EXCEPT THAT MAJOR OIL COMPANIES DO NOT HAVE SPECIFIC COMMERCIAL INTEREST IN THE VESSEL AND CASE OF DECLINE INSPECTION REQUEST.

ALL TIME REQUIRED FOR VETTING INSPECTION SHALL BE ON-HIRE. HOWEVER SHOULD THE VESSEL BE FAILED AND REQUIRED FOR RE-INSPECTION, SUCH TIME AND COST TO BE FOR OWNERS' ACCOUNT UNLESS THE REQUIREMENT OF CHARTERERS AND/OR CARGO INTERESTS ARE APPARENTLY BEYOND THE CLASS RULE OR TREATY.

OWNERS SHALL WARRANT TO ENSURE THREE (3) APPROVALS INCLUDING CDI AND SHELL WITH SIRE WITHIN FOUR (4) MONTHS AND FOUR(4) MAJOR APPROVALS OUT OF SHELL, BP, EXXONMOBIL, CHEVRONTExACO, BHP AND PETRONAS WITHIN SLX (6) MONTHS AFTER DELIVERY.

CHARTERERS ACKNOWLEDGE THAT OWNERS ARE NOT DEEMED IN BREACH OF THIS CLAUSE IF/WHEN OWNERS MAKE APPROPRIATE CONTACTS TO OIL COMPANY(IES) TO REQUEST FOR THEIR VETTING INSPECTIONS BUT SUCH OWNERS' REQUEST IS DECLINED SOLELY BY OIL COMPANY(IES) REASON. TO BEST OWNERS KNOWLEDGE AND ALWAYS SUBJECT TO CHANGES IN OIL COMPANYS VETTING POLICIES, THE VESSEL IS APPROVED BY 4 (FOUR) OF ABOVE MAJORS AND OWNERS SHALL MAINTAIN 4 (FOUR) APPROVALS THROUGHOUT THE TIME CHARTER PERIOD.

Clause 66

Owners warrant that the vessel will be at all times in compliance with the Marpol regulations currently in force and applicable to the vessel basis her construction date or as possibly amended during the charter and is certified to carry Marpol annex I and II cargoes in accordance with vessel's Cargo list and Certificate of Fitness and has corresponding valid certificates at all times on board.

Clause 67
DELETED

Clause 68

World wide trade always within IWL but excluding United Nations and E.U. sanctioned and or Embargo countries, Ethiopia, Erithrea, Somalia, Yemen, North Korea, Lebanon, Cuba, Israel, Iraq, Turkish occupied Cyprus, Sierra Leone, Liberia.

Clause 69

Clean petroleum products including lubricating oils; dirty petroleum products including crude oils; Marpol Annex II cargoes in accordance with vessel's Certificate of Fitness and coating resistance list which please forward for Charterers' approval.

If Charterers so requests, Owners agree to add named cargo(es) to vessel's Certificate of Fitness provided coating manufacturers and/or classification society approve same. Additional costs, if any, to be for Charterers' account.

All cargoes carried shall be in accordance with cargo resistance list, maximum allowable temperature, and trim and stability booklet and within natural segregation.

Vessel to be redelivered to Owners with last 3 (three) cargoes clean unl, und 2.5 NPA.

Clause 70

Owner's guarantee that the vessel's officers and crew belong to a union recognized and affiliated to The International Transport Worker's Federation and / or its equivalent.

Clause 71

If Charterers have reason to be dissatisfied with the performance of the vessel or the Manager, the Owner upon receiving complaints shall immediately investigate and take appropriate steps to correct the situation.

Clause 72

Managers of the vessel shall be "BERNHARD SCHULTE SHIPMANAGEMENT".

Clause 73

Dispute Resolution Clause
English Law, London Arbitration

(a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

(b) Notwithstanding the above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under the above, the following shall apply:-

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

Clause 74

PERFORMANCE:

No underperformance claim to be presented by the Charterers in the first 3 months. Speed and consumptions to be reviewed, actualized and guaranteed by the Owners after 3 months. No overperformance claim to be allowed.

After the first three months the parties agree that charterers shall not claim underperformance if the difference in consumption is less than 5% per day. If there is a difference in excess of 5% per day any claim to be in respect of the excess amount only. Fuel prices for performance shall be average prices paid. The warranted speeds and consumptions are only applicable when sailing in unrestricted waters between sea buoy to sea buoy in moderate weather, up to including force 4 on the Beaufort scale and without adverse current. Any passage from sea buoy to sea buoy less than twenty-four hours duration and passages in restricted waters/rivers etc. as provided elsewhere in this charter are to be excluded from performance warranties / guarantees. Mgo is to be used whenever necessary in line with normal shipping navigational practices.

Clause 75

BIMCO ISPS CLAUSE FOR TIME CHARTER PARTIES

(a)(i) From the date of coming into force of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) in relation to the Vessel and thereafter during the currency of this Charter Party, the Owners shall procure that both the Vessel and "the Company" (as defined by the ISPS Code) shall comply with the requirements of the ISPS Code relating to the Vessel and "the Company". Upon request the Owners shall provide a copy of the relevant International Ship Security Certificate (or the Interim International Ship Security Certificate) to the Charterers. The Owners shall provide the Charterers with the full style contact details of the Company Security Officer (CSO).

(ii) Except as otherwise provided in this Charter Party, loss, damage, expense or delay, excluding consequential loss, caused by failure on the part of the Owners or "the Company" to comply with the requirements of the ISPS Code or this Clause shall be for the Owners' account.

(b)(i) The Charterers shall provide the CSO and the Ship Security Officer (SSO)/Master with their full style contact details and, where sub-letting is permitted under the terms of this Charter Party, shall ensure that the contact details of all sub-charterers are likewise provided to the CSO and the SSO/Master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this Charter Party contain the following provision:

"The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners".

(ii) Except as otherwise provided in this Charter Party, loss, damage, expense or delay, excluding consequential loss, caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers' account.

(c) Notwithstanding anything else contained in this Charter Party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code including, but not limited to, security guards, launch services, tug escorts, port security fees or taxes and inspections, shall be for the Charterers' account, unless such costs or expenses result solely from the Owners'

negligence. All measures required by the Owners to comply with the Ship Security Plan shall be for the Owners' account.

(d) If either party makes any payment which is for the other party's account according to this Clause, the other party shall indemnify the paying party.

Time Charter Party
LONDON 22nd Sept 2008

	IT IS THIS DAY AGREED between MESSRS. LEON TRADING SA	1
	of (hereinafter referred to as "Owners"), being owners	2
	of the good motor/steam vessel called "LEON II". Charterers have the liberty to change the name of	3
	the vessel to M.Y. ADRIATIC at Charterer's expense and time. Change of name to be done while	
	the ship is still at the yard and Charterers to pay for change of name maximum Usd. 5,000,00 (five	
	thousand Usd. only)	
	(hereinafter referred to as "the vessel") described as per Clause 1 hereof and MESSRS. VARDHAM APS	4
	of DENMARK (hereinafter referred to as "Charterers");	5
Description	1. At the date of delivery of the vessel under this charter and throughout the charter period:	6
And	(a) she shall be classed by a Classification Society which is a member of the International	7
Condition of	Association of Classification Societies;	8
Vessel	(b) she shall be in every way fit to carry crude petroleum and its products including cargoes of the types	9
	stated in clause 69 hereof; See clause 69 hereof	
	(c) she shall be light, staunch, strong, in good order and condition, and in every way fit for the	10
	service, with her machinery, boilers, hull and other equipment (including but not limited to hull	11
	stress calculator, radar, computers and computer systems) in a good and efficient state;	12
	(d) her tanks, valves and pipelines shall be oil-tight;	13
	(e) she shall be in every way fitted for burning, in accordance with the grades specified in Clause	14
	22 hereof:	15
	(i) at sea, fuel oil for main propulsion and fuel—oil/marine diesel oil* for auxiliaries;	16
	(ii) in port, fuel-oil/marine diesel oil* for auxiliaries;	17
	(f) she shall comply with the regulations in force so as to enable her to pass through the Suez and	18
	Panama Canals by day and night without delay;	19
	(g) she shall have on board all certificates, documents and equipment required from time to time by	20
	any applicable law to enable her to perform the charter service without delay;	21
	(h) she shall comply with the description in the Timecharter Description OCIMF Harmonised Vessel	22
	Particulars Questionnaire appended	
	hereto as Appendix A, provided however that if there is any conflict between the provisions of	23
	this questionnaire and any other provision, including this Clause 1, of this charter such other	24
	provisions shall govern;	25
	(i) her ownership structure, flag, registry, classification society and management company shall	26
	not be changed;	27
Safety	(j) Owners will operate:	28
Management	(i) a safety management system certified to comply with the International Safety	29
	Management Code (ISM Code) for the Safe Operation of Ships and for	30
	Pollution Prevention;	31
	(ii) a documented safe working procedures system (including procedures for the	32
	identification and mitigation of risks);	33
	(iii) a documented environmental management system;	34
	(iv) documented accident/incident reporting system compliant with flag state	35
	requirements;	36
	(k) Owners shall submit to Charterers a monthly written report detailing all accidents/incidents and	37
	environmental reporting requirements, in accordance with the Shell Safety and Environmental	38
	Monthly Reporting Template appended hereto as Appendix B;	39
	(l) Owners shall maintain Health Safety Environmental (HSE) records sufficient to demonstrate	40
	compliance with the requirements of their HSE system and of this charter. Charterers reserve	41
	the right to confirm compliance with HSE requirements by audit of Owners.	42
	(m) Owners will arrange at their expense for a SIRE inspection to be carried out at intervals of six	43
	months plus or minus thirty days, subject to vessel's schedule and trading area/pattern and to	44
	availability of sire inspector (see also Clause 65).	
Shipboard	2. (a) At the date of delivery of the vessel under this charter and throughout the charter period:	45
Personnel	(i) she shall have a full and efficient complement of master, officers and crew for a	46
And their	vessel of her tonnage, who shall in any event be not less than the number required	47
Duties	by the laws of the flag state and who shall be trained to operate the vessel and her	48
	equipment competently and safely;	49
	(ii) all shipboard personnel shall hold valid certificates of competence in accordance	50
	with the requirements of the law of the flag state;	51

Code word for this Charter Party
"SHELLTIME4"

Issued December 1984 amended December 2003

	periodical drydocking and Charterers shall take all reasonable steps to make the vessel available as near to	402
	such date and port as practicable.	
	Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues.	403
	Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any Bill of Lading or this charter.	404
	(b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However;	405
	(i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21); and;	406
	(ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.	407
	Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.	408
	The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners account.	409
	(c) If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any benefit they may gain in purchasing bunkers at the special port.	410
	(d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.	411
Ship Inspection	23. Charterers shall have the right at any time during the charter period to make such inspection of the vessel as they may consider necessary. This right may be exercised as often and at such intervals as Charterers in their absolute discretion may determine and whether the vessel is in port or on passage. Owners affording all necessary co-operation and accommodation on board provided, however:	412
	(a) that neither the exercise nor the non-exercise, nor anything done or not done in the exercise or non-exercise, by Charterers of such right shall in any way reduce the master's or Owners' authority over, or responsibility to Charterers or third parties for, the vessel and every aspect of her operation, nor increase Charterers' responsibilities to Owners or third parties for the same; and;	413
	(b) that Charterers shall not be liable for any act, neglect or default by themselves, their servants or agents in the exercise or non-exercise of the aforesaid right.	414
Detailed	24. (a) Owners guarantee that the speed and consumption of the vessel shall be as follows: <i>See clause 7.4 hereof</i>	415
	<i>Owners warrant vessel's speed of knots in laden condition and knots in ballast</i>	416
	<i>condition on 19 metric tons IFO for main engine.</i>	417
Description and Performance	Average speed	418
	In knots	419
	Maximum average bunker consumption per day	420
	main propulsion fuel oil/diesel oil	421
	tonnes	422
	Laden	423
	_____	424
	_____	425
	Ballast	426
	_____	427
	_____	428
	_____	429
	_____	430
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	_____	461
	As per vessel's estimated speed and consumptions given to Charterers.	
	The foregoing bunker consumptions are for all purposes except cargo heating and tank cleaning	462

	and ballasting and deballasting and shall be pro-rated between the speeds shown.	463
	The service speed of the vessel is knots laden and knots in ballast and in the absence	464
	of Charterers' orders to the contrary the vessel shall proceed at the service speed. However if	465
	more than one laden and one ballast speed are shown in the table above Charterers shall have	466
	the right to order the vessel to steam at any speed within the range set out in the table (the	467
	"ordered speed").	468
	If the vessel is ordered to proceed at any speed other than the highest speed shown in the	469
	table, and the average speed actually attained by the vessel during the currency of such order	470
	exceeds such ordered speed plus 0.5 knots (the "maximum recognised speed"), then for the	471
	purpose of calculating a decrease of hire under this Clause 24 the maximum recognised speed	472
	shall be used in place of the average speed actually attained.	473
	For the purposes of this charter the "guaranteed speed" at any time shall be the then current	474
	ordered speed or the service speed, as the case may be.	476
	The average speeds and bunker consumptions shall for the purposes of this Clause 24 be	476
	calculated by reference to the observed distance from pilot station to pilot station on all sea	477
	passages during each period stipulated in Clause 24 (c), but excluding any time during which	478
	the vessel is (or but for Clause 22 (b) (i) would be) off-hire and also excluding "Adverse	479
	Weather Periods", being;	480
	(i) any periods during which reduction of speed is necessary for safety in congested waters	481
	or in poor visibility;	482
	(ii) any days, noon to noon, when winds exceed force 4 ^{four} on the Beaufort Scale for more than	483
	12 hours.	484
	(b) If during any year from the date on which the vessel enters service (anniversary to anniversary)	485
	the vessel falls below or exceeds the performance guaranteed in Clause 24 (a) then if such	486
	shortfall or excess results;	487
	(i) from a reduction or an increase in the average speed of the vessel, compared to the speed	488
	guaranteed in Clause 24 (a), then an amount equal to the value at the hire rate of the time	489
	so lost or gained, as the case may be, shall be included in the performance calculation deducted	490
	from the hire paid;	
	(ii) from an increase or a decrease in the total bunkers consumed, compared to the total	491
	bunkers which would have been consumed had the vessel performed as guaranteed in	492
	Clause 24 (a), an amount equivalent to the value of the additional bunkers consumed or	493
	the bunkers saved, as the case may be, based on the average price paid by Charterers for	494
	the vessel's bunkers in such period, shall be included in the performance calculation deducted from	495
	the hire paid.	
	The results of the performance calculation deduction from hire so calculated for laden and ballast	496
	mileage respectively shall be	
	adjusted to take into account the mileage steamed in each such condition during Adverse Weather	497
	Periods, by dividing such addition or deduction by the number of miles over which the	498
	performance has been calculated and multiplying by the same number of miles plus the miles	499
	steamed during the Adverse Weather Periods, in order to establish the total performance	500
	calculation deduction for such period.	501
	Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other	502
	remedy available to Charterers.	503
	(c) Calculations under this Clause 24 shall be made for the yearly periods terminating on each	504
	successive anniversary of the date on which the vessel enters service, and for the period	505
	between the last such anniversary and the date of termination of this charter if less than a year.	506
	Claims in respect of reduction of hire arising under this Clause during the final year or part	507
	year of the charter period shall in the first instance be settled in accordance with Charterers'	508
	estimate made two months before the end of the charter period. Any necessary adjustment	509
	after this charter terminates shall be made by payment by Owners to Charterers or by	510
	Charterers to Owners as the case may require.	511
	(d) Owners and Charterers agree that this Clause 24 is assessed on the basis that Owners are not	512
	entitled to additional hire for performance in excess of the speeds and consumptions given in	513
	this Clause 24.	514
Salvage	25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any	515
	damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting	516
	to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and	517
	Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by	518
	Owners arising in any way out of services rendered under this Clause 25.	519
	All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers	520
	after deducting the master's, officers' and crew's share.	521
Lien	26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any	522
	amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in	523

accordance with (i) then each party shall appoint one arbitrator, in any event not later than 14 days after receipt of a further request in writing by either party to do so. The two arbitrators so appointed shall appoint a third arbitrator before any substantive hearing or forthwith if they cannot agree on a matter relating to the arbitration.

(iii) If a party fails to appoint an arbitrator within the time specified in (ii) (the Party in Default) the party who has duly appointed his arbitrator shall give notice in writing to the Party in Default that he proposes to appoint his arbitrator to act as sole arbitrator.

(iv) If the Party in Default does not within 7 days of the notice given pursuant to (iii) make the required appointment and notify the other party that he has done so the other party may appoint his arbitrator as sole arbitrator whose award shall be binding on both parties as if he had been so appointed by agreement.

(v) Any Award of the arbitrator(s) shall be final and binding and not subject to appeal.

(vi) For the purposes of this clause 150 any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.

(e) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

BIMCO STANDARD DISPUTE RESOLUTION CLAUSE - see attached clause 73.

Confidentially 47. All terms and conditions of this charter arrangement shall be kept private and confidential
Construction 48. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.

Appendix A: OCIMF Vessel Particulars Questionnaire for the vessel, as attached, shall be incorporated herein.
Appendix B: Shell Safety and Environmental Monthly Reporting Template, as attached, shall be incorporated herein.
Additional Clauses: 49 through 73 both inclusive As attached, shall be incorporated herein.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS CHARTER, CONSISTING OF PART A CLAUSES 1 THROUGH 48 AND PART B, CLAUSES 49 THROUGH 73 TO BE EXECUTED IN DUPLICATE

75

SIGNED FOR OWNERS
FULL NAME _____
POSITION _____

SIGNED FOR CHARTERERS
FULL NAME _____
POSITION _____

As per authority from Vardhman Shipping ApS

As agents only

HOLGER KRISTIANSEN'S EFTE A/S

KRISAX

Marina House
Bernegade 4 - 4800 Nykøbing F

Thomas Pedersen

Clause 66

Owners warrant that the vessel will be at all times in compliance with the Marpol regulations currently in force and applicable to the vessel basis her construction date or as possibly amended during the charter and is certified to carry Marpol annex I and II cargoes in accordance with vessel's Cargo list and Certificate of Fitness and has corresponding valid certificates at all times on board.

Clause 67

Deleted



Clause 68

World wide trade always within IWL but excluding United Nations and E.U. sanctioned and or Embargo countries, Ethiopia, Brithrea, Somalia, Yemen, North Korea, Lebanon, Cuba, Israel, Iraq, Turkish occupied Cyprus, Sierra Leone, Liberia.

Clause 69

Clean petroleum products including lubricating oils; dirty petroleum products including crude oils; Marpol Annex II cargoes in accordance with vessel's Certificate of Fitness and coating resistance list which please forward for Charterers' approval. If Charterers so requests, Owners agree to add named cargo(es) to vessel's Certificate of Fitness provided coating manufacturers and/or classification society approve same. Additional costs, if any, to be for Charterers' account.

Alt cargoes carried shall be in accordance with cargo resistance list, maximum allowable temperature, and trim and stability booklet and within natural segregation.

Vessel to be redelivered to owners with last (3) cargoes clean UNL, UNL 2,5 NPA

Clause 70

Owner's guarantee that the vessel's officers and crew belong to a union recognized and affiliated to The International Transport Worker's Federation and / or its equivalent.

Clause 71

If Charterers have reason to be dissatisfied with the performance of the vessel or the Manager, the Owner upon receiving complaints shall immediately investigate and take appropriate steps to correct the situation.

Clause 73

Dispute Resolution Clause
English Law, London Arbitration

(a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

(b) Notwithstanding the above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under the above, the following shall apply:-

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

~~(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)~~



Dispute Resolution Clause
U.S. Law, New York Arbitration

~~(a) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New~~

~~York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

(b) Notwithstanding the above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under the above, the following shall apply:-

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) ~~Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.~~

(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

Dispute Resolution Clause

Law and Place of Arbitration as Mutually Agreed

(a) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.

(b) Notwithstanding the above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under the above, the following shall apply:-

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

74. PERFORMANCE

No under – performance claim to be presented by the Charterers in the first three (3) months. Speed and Consumptions to be reviewed, actualized and guaranteed by the Owners after three (3) months. No over-performance claim to be allowed.

After the first three months the parties agree that Charterers shall not claim under-performance if the difference in consumption is less than 5% per day.

If there is a difference in excess of 5% per day any claim to be in respect of the excess amount only. Fuel prices for performance shall be average prices paid. The warranted speeds and consumptions are only applicable when sailing in unrestricted waters between sea buoy to sea buoy in moderate weather, up to and including force 4 on the beaufort scale and without adverse current. Any passage from sea buoy to sea buoy less than twenty-four hours duration and passages in restricted waters/rivers etc. as provided elsewhere in this charter, are to be excluded from performance warranties / guarantees. MGO is to be used whenever necessary in line with normal shipping navigational practices.

75. BIMCO ISPS CLAUSE FOR TIME CHARTER PARTIES

(a)(i) From the date of coming into force of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) in relation to the Vessel and thereafter during the currency of this Charter Party, the Owners shall procure that both the Vessel and "the Company" (as defined by the ISPS Code) shall comply with the requirements of the ISPS Code relating to the Vessel and "the Company". Upon request the Owners shall provide a copy of the relevant International Ship Security Certificate (or the Interim International Ship Security Certificate) to the Charterers. The Owners shall provide the Charterers with the full style contact details of the Company Security Officer (CSO).

(ii) Except as otherwise provided in this Charter Party, loss, damage, expense or delay, excluding consequential loss, caused by failure on the part of the Owners or "the Company" to comply with the requirements of the ISPS Code or this Clause shall be for the Owners' account.

(b)(i) The Charterers shall provide the CSO and the Ship Security Officer (SSO)/Master with their full style contact details and, where sub-letting is permitted under the terms of this Charter Party, shall ensure that the contact details of all sub-charterers are likewise provided to the CSO and the SSO/Master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this Charter Party contain the following provision:

"The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners".

(ii) Except as otherwise provided in this Charter Party, loss, damage, expense or delay, excluding consequential loss, caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers' account.

(c) Notwithstanding anything else contained in this Charter Party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code including, but not limited to, security guards, launch services, tug escorts, port security fees or taxes and inspections, shall be for the Charterers' account, unless such costs or expenses result solely from the Owners' negligence. All measures required by the Owners to comply with the Ship Security Plan shall be for the Owners' account.

(d) If either party makes any payment which is for the other party's account according to this Clause, the other party shall indemnify the paying party.